

# PUBLIC EDUCATION PROPERTY TAXES

2007-08

<u>Tax</u>	<u>Ceiling<sup>1</sup></u>	<u>Utah Code Citation</u>
Basic Levy	.001474 <sup>2</sup>	53A-17a-135; 59-2-902 and -903, and -905, and -906
Voted/Board Leeway	.002000 <sup>3</sup>	53A-17a-133 and -134; and 59-2-904
Reading Achievement Board Leeway Levy	.000121 <sup>4</sup>	53A-17a-151
Capital Outlay	.002400 <sup>5</sup>	53A-16-107; 11-14-19
10% of Basic	Formula	53A-17a-145
Debt	Voter Approval	11-14-19, 53A-17a-145
Voted Capital	.002000	53A-16-110
Tort Liability	.000100	63-30d-704
Transportation	.000300 <sup>6</sup>	53A-17a-127
Recreation	None	11-2-7

<sup>1</sup>A taxing entity may impose a tax rate in excess of the maximum levy permitted by law if the rate generates revenues that are less than the revenues that would be generated under the certified tax rate [59-2-914(3)(a)].

<sup>2</sup>This is a legislative preliminary estimate. 53A-17a-135(1)(a), (b) and (c) provide that the State Tax Commission will certify and adjust the basic rate on or before June 22 to generate \$245,254,790.

<sup>3</sup>House Bill 38 of the 2001 General Session increased the state guarantee of \$17.14 per 0.0001 tax rate per WPU to 0.008544 times the value of the prior year's weighted pupil unit beginning in FY 2002-03. The 2002 Legislature delayed implementation of this bill until FY 2003-04; the 2003 Legislature delayed implementation of this bill until FY 2004-05. The guarantee shall increase by 0.0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to 0.010544 times the value of the prior year's weighted pupil unit." (53A-17a-133(3)(c) (i and ii)). The 2005 Legislature implemented the full state guarantee to \$18.64. The amount of state aid guarantee money to which a school district would be otherwise entitled under the Voted/Board Leeway programs may not be reduced as a consequence of changes in the certified tax rate pursuant to changes in property valuation. This applies for a period of two years following any such change in the certified tax rate [53A-17a-133(3)(d)(i) and (ii)].

<sup>4</sup>Senate Bill 230 of the 2004 General Session created the K-3 Reading Improvement Program to achieve the state's goal of having third graders reading at or above grade level. Each local school board may levy a tax rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading Improvement Program created under 53A-17a-150. The K-3 Reading Improvement Program consists of program monies and is created to achieve the state's goal of having third graders reading at or above grade level. The levy authorized is in addition to any other levy or maximum rate, does not require voter approval, and may be modified or terminated by a majority vote of the board. A local school board shall establish its board-approved levy under this section by June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year. If after 36 months of program operation, a school district fails to meet goals stated in the district's plan for student reading proficiency as measured by gain scores, the school district shall terminate any levy imposed under Section 53A-17a-151.

<sup>5</sup>School districts levying less than 0.002400 for capital outlay and debt service shall receive proportional funding under the Capital Outlay Foundation program based on the percentage of the 0.002400 tax rate levied by the district. Hold harmless provisions for up to two years have been enacted by Administrative Rule R277-451. School districts are required, regardless of any limitations which may otherwise exist on the amount of taxes which the school district may levy, to provide for the levy and collection annually of ad valorem taxes without limitation as to rate or amount on all taxable property in the school district fully sufficient to fund general obligation indebtedness [11-14-19].

<sup>6</sup>House Bill 179 of the 1998 General Session increased the maximum tax rate a school board may levy from 0.000200 to 0.000300 for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board, for the replacement of school buses [53A-17a-127(6)], transportation of ineligible students to and from school, and hazardous bus routes [R277-600-10]. The guarantee is not to exceed 85% of the state average cost per mile, if the school board levies a tax of at least 0.000200. The amount of state guarantee money to which a district would otherwise be entitled may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate. This hold-harmless for the state guarantee applies for two years.

# PUBLIC EDUCATION PROPERTY TAXES

(Continued)

2007-08

Impact Aid (Title VII)	.000800	53A-17a-143
Judgment Recovery	Varies by Judgment <sup>7</sup>	53A-16-111; 59-2-102, and 918.5, and -924, and -1328, and -1330

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<sup>7</sup>Senate Bill 84 of the 2000 General Session clarified eligibility requirements for the imposition of a Judgment Levy. An eligible judgment is a final order or judgment under 59-2-1328 or 59-2-1330 that became final and unappealable no more than 14 months prior to July 22<sup>nd</sup> of each year and for which the taxing entity's share of the judgment is greater than or equal to the lesser of \$5,000 or 2.5% (ranges changed from \$1,000 or 1% by House Bill 201 of the 2002 General Session) of the total advalorem property taxes collected by the taxing entity in the previous fiscal year [59-2-102(10)]. Because each year stands on its own, judgment levies are not considered part of the total certified tax rate; the effective judgment levy certified tax rate is considered to be zero each year and taxing entities must go through the hearing and notice requirements of 59-2-918.5 each year. If a judgment levy is imposed, all refunds and interest ordered must be paid no later than December 31 of the year in which the judgment levy is imposed [59-2-1328 (3)].